

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**

**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**



**IN THE MATTER OF THE LICENSURE
OF LINDA MORGAN
LICENSE NO. 18483398**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, Linda Morgan (hereinafter “Ms. Morgan”) and the Agent Services Division of the North Carolina Department of Insurance (hereinafter “Agent Services Division”), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter “this Agreement”).

WHEREAS, the Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents; and

WHEREAS, Ms. Morgan currently holds a producer’s license with authority for Property and Casualty lines of insurance which was first issued by the Agent Services Division in August 2017; and

WHEREAS, Ms. Morgan was first employed as an agent with the Griffin Insurance Agency [“the Agency”] in the commercial lines department. As a licensed agent working in the commercial lines department in the Agency’s Mooresville office, Ms. Morgan prepared certificates of insurance. Ms. Morgan worked at the Agency until January 2018 when she voluntarily resigned. While working in the Agency’s commercial department, Ms. Morgan prepared certificates of insurance for customers to use as proof of insurance; and

WHEREAS, Agent Services received notification from Nationwide Insurance regarding its termination for cause of Ashton Loyd, Corrine Meyers, and Charlotte Kincaid, all former agents and employees of the Agency, for having fraudulently issued or caused to be issued numerous certificates of insurance containing false information while working at the Agency; and

WHEREAS, Agent Services conducted a target audit of the Agency between April 8 and November 23, 2020. During the audit, Agent Services uncovered that Ms. Morgan fraudulently issued a certificate of insurance to Sperko Engineering Services, Inc. for a Nationwide General Liability Policy which listed additional insured Tallgrass Energy when in fact the policy was a Business Owners Policy and had no additional insureds; and

WHEREAS, in a written response to Agent Services' request, Ms. Morgan informed Agent Services that she prepared the certificate of insurance to Sperko Engineering Services, Inc. under the direction of her office manager Jess Nabors, associate Charlotte Kincaid, and Ashton Loyd, then an agent and part owner of the Agency; and

WHEREAS, during the informal conference with Agent Services on March 12, 2021, Ms. Morgan advised that she did not specifically remember the circumstances which gave rise to the issuance of the certificate of insurance to Sperko Engineering Services, Inc.; and

WHEREAS, Ms. Morgan's issuance of the fraudulent insurance certificate to Sperko Engineering Services, Inc. was in violation of N.C.G.S. § 58-3-150(f), which prohibits any person from "knowingly prepar[ing], issu[ing], request[ing], or require[ing] a certificate of insurance that...(2) Contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference." N.C. Gen. Stat. § 58-3-150(f)(2); and

WHEREAS, Ms. Morgan's issuance of a fraudulent insurance certificate constitutes grounds for Agent Services to take disciplinary action against her license pursuant to N.C.G.S. § 58-33-46(a)(2) for her violation of N.C.G.S. § 58-3-150(f)(2), N.C.G.S. § 58-33-46(a)(5) for having intentionally misrepresented the terms of an actual or proposed insurance contract or application for insurance, and N.C.G.S. § 58-33-46(a)(8) for having used fraudulent, coercive, or dishonest practices and demonstrated incompetence and untrustworthiness in the conduct of business in this State; and

WHEREAS, Ms. Morgan has agreed to settle, compromise, and resolve the matter referenced in this Agreement on behalf of herself by entering into this Voluntary Settlement Agreement and paying a monetary penalty in the amount of \$250.00, and the Agent Services Division has agreed in return not to pursue additional civil penalties, sanctions, remedies, or restitution based on this administrative matter against Ms. Morgan; and

WHEREAS, this Agreement is civil in nature and does not preclude criminal prosecution that may result from investigations by the Department's Criminal Investigation Division for violations of criminal laws; and

WHEREAS, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.


NOW, THEREFORE, in exchange for the consideration and promises and agreements set out herein, Ms. Morgan and the Agent Services Division hereby agree to the following:

1. Immediately upon the signing of this Agreement, Ms. Morgan shall pay a civil penalty of **\$250.00** to the Department. The form of payment shall be by certified check, cashier's check or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." Ms. Morgan shall remit the civil penalty by certified mail, return receipt requested, to the Department along

with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Department no later than **August 2, 2021**. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.

2. This Agreement does not in any way affect the Department's disciplinary power in any future examination of Ms. Morgan or in any other complaints involving Ms. Morgan.
3. Ms. Morgan enters into this Agreement, on behalf of herself, freely and voluntarily and with the knowledge of her right to have an administrative hearing on this matter. Ms. Morgan understands that she may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. Ms. Morgan understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer's license may be revoked for violating an Order of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Department. Following the execution of this Agreement, all licenses issued by the Department to Ms. Morgan shall reflect that Regulatory Action has been taken against her. The Department is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreement to all companies that have appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. Be aware that if a state or federal regulator other than the N.C. Department of Insurance has issued an occupational or professional license to you, that regulator may require you to report this administrative action to it. The N.C. Department of Insurance cannot give you legal advice as to the specific reporting requirements of other state or federal regulator.

N.C. Department of Insurance


By: **Linda Morgan**
License No. 18483398


By: **Angela Hatchell**
Deputy Commissioner
Agent Services Division

Date: 7/22/2021

Date: 7/29/2021